

RESPONDING TO THE THREAT

FAST members considered their role in responding to the challenges posed by the workshop's speakers, including an evaluation of FAST membership, geographic reach, and key opportunities.

Should FAST change it's membership?

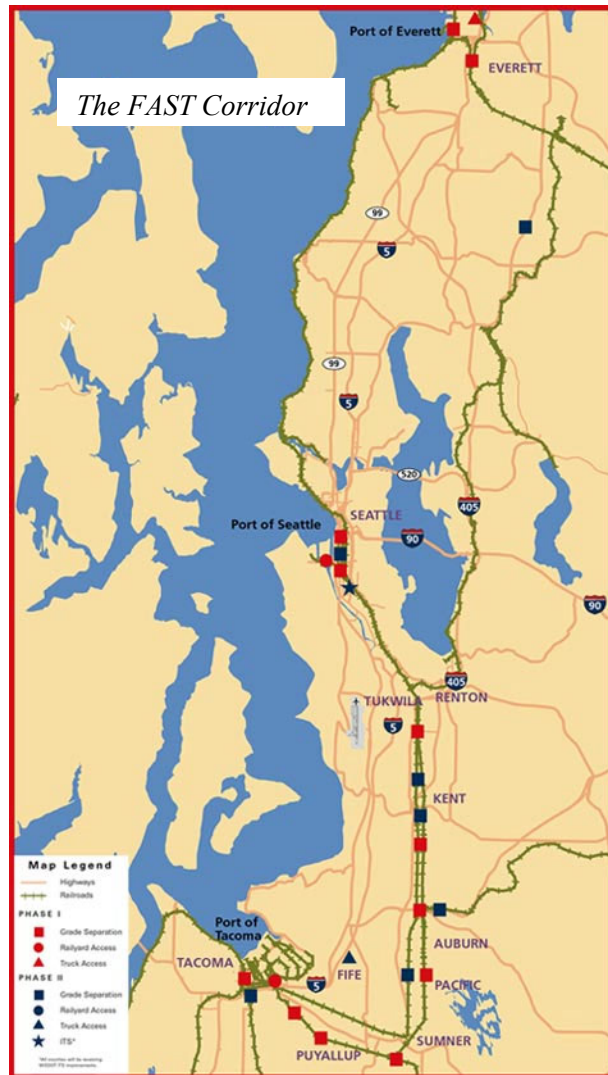
The FAST *membership* should remain intact and focused on the Puget Sound region; however, FAST should plan to reach out and develop new partnerships. Some suggestions for potential outreach areas include:

- Eastern Washington
- Other ports
- Chicago
- West Coast Coalition

Where should FAST focus future efforts?

The geographic footprint of FAST covers the metropolitan edge of Puget Sound, from the Port of Everett to the Port of Tacoma, and north-south freight corridors that connect the ports and railroads. Workshop participants confirmed that the membership should be generally tied to this geographic region (as the current membership is). Additionally, many suggested that the *geographic reach or influence* of FAST may need to expand.

Being able to show reliability and travel time savings along an entire route is needed to attract international customers to Washington ports. Efficient freight movement over the length of a trip requires efficient movement at each point in the trip. For example, bottlenecks further east (as close as Snoqualmie Pass or as far as Chicago) could erode any benefits gained by the sort of local projects that FAST has invested in so far. Likewise, fixing small bottlenecks in the Puget Sound region will not make a significant reduction in travel time or increase reliability for freight bound to the mid-west. For these reasons, FAST should consider:



- Expanding the reach of influence to consider east-west corridors, as far east as Moses Lake and beyond to Chicago;
- Partnering with other agencies, groups, and states to enhance east-west freight corridors that strengthen the economic competitiveness of the Puget Sound ports.
- Targeting new and growing industries in the Northwest and develop locations with efficient freight access that meet those needs.

What are FAST's strengths?

FAST has been very successful at obtaining funding (primarily at the federal level and also at the state and local levels) to build projects that improve the mobility of freight, provide access to the ports, and make intermodal connections more efficient. FAST is nationally recognized for developing and maintaining a strong coalition of partners for project selection and delivery. FAST should maintain this focus.

Ideas and options for broadening or re-examining FAST's role were discussed, including:

- Adding warehouse/distribution centers to intermodal connections;
- Being proactive instead of reactive in the face of changing economic conditions;
- Finding ways for FAST projects to be more responsive to the quickly changing marketplace and customer demands;
- Embracing a broader strategy, a longer range vision, and clearly tying individual projects to that vision;
- Embarking on research to better understand problems encountered by long-haul shipments.

What are FAST's challenges?

Workshop participants discussed a number of national and international threats to freight market share growth in the FAST corridor.

Partnership of the Canadian railroads and Port of Vancouver

- Port of Vancouver has experienced a 74% growth compared to Puget Sound port growth of 8% in the last 5 years, according to data provided by Doug Ljungren.
- Canadian railroads are able to provide shipping incentives that US railroads cannot due to government regulation.
- Chicago-bound shipments are using the Port of Vancouver to take advantage of Canadian rail incentives and direct Canadian rail access to Chicago and beyond.
- Travel time to Chicago from the West Coast is the same for Canadian rail and US rail.

"Alliance of Cooperation" between Panama Canal and East Coast ports

- Creating an all-water passage to the East Coast.
- Recently completed Panama Canal improvements have increased transits by 20%.
- Planned Panama Canal projects will increase transits by another 25%.

Ports of LA/Long Beach

- The ports of LA and Long Beach handle over 3 times as many TEUs as the ports of Tacoma and Seattle.
- Shipping time to the Midwest is approximately equivalent to Northwest ports.
- The Northwest needs to identify and provide an advantage over California. Research may be useful for identifying efficiency issues along the entire inland route from waterfront to Chicago.
- FAST projects have been successful at reducing delays for freight; however, because projects are scattered throughout the north-south corridor, the overall strategic impact is difficult to measure compared to a project like the Alameda Corridor.

Loss of Boeing 7E7 Construction and Assembly

- Boeing is considering other locations for the construction of the 7E7 because of an unfavorable business climate and mobility issues.
- Construction and assembly require the ability to move large parts of airplanes between plants on rail and roadway, to accept large shipments at the ports, and to move small parts around the region efficiently and reliably.
- Boeing has laid off 35,000 workers to date.

Coordinating Freight with Passenger Rail

- Passenger rail is increasing in the Puget Sound region and operates on the same tracks as freight.
- Passenger rail may institute “black out” times for freight movement.
- Movements of both freight and passenger rail need to be coordinated.

What are the funding concerns?

The group focused project and funding discussions around two major themes: what kinds of projects FAST should fund and potential sources of that funding. The group clearly articulated that projects must have strategic value; some participants suggested projects must show measurable benefits as well. A more comprehensive discussion of funding activities and needs was undertaken at the next workshop.

The Northwest economy is suffering the loss of international and national market share at Puget Sound ports. Jobs directly related to freight movement and industries that rely on efficient movement have been lost and continue to be at risk. 165,000 jobs are tied to the Port of Seattle alone. Transportation congestion, port access and efficiency issues, and government regulations have created a perceived “unfriendly business environment.”

In addition, there is no dedicated freight funding source in Washington State. Dedicated freight funding was lost with Initiative 695, leaving freight without a reliable, consistent funding source. Though the Freight Mobility Strategic Investment Board (FMSIB) was created to evaluate, prioritize and advocate for freight projects, freight projects must compete with other projects across the state for general transportation dollars, or settle for the benefits gained by rare capacity projects.

FAST requires a local match by jurisdictions that host projects. Occasionally, the funding priorities of local jurisdictions change, leaving projects without the anticipated local match. This can tie up FAST funds that might have been available for other projects. Also, project delays cause projects to lose the attention of supporters and can put dedicated funds with spending timelines at risk. Local and environmental permitting processes can also cause delays.

To address the funding challenges, a number of programmatic issues were discussed. The FAST partners need to develop a big-picture vision that increases the Northwest's national and international competitiveness; determine the kinds of projects that build the vision; and evaluate how FAST Phase I and Phase II projects fit into this picture. Funding should be focused on strategic investments that build this vision: those projects that make the most economic sense for the state, bring us national and international market share, and increase our national and international competitiveness. At the same time, FAST partners need to continue building consensus about which projects are most important so that limited funding can be applied in the most cost effective way.

More specifically, FAST should retain the current practice of requiring local match funding by jurisdictions in order to show commitment. Finally, FAST funds should continue to be "fungible," meaning that funds go to the freight program rather than individual projects. This would accommodate shifting local priorities or delays without hindering overall progress toward the regional freight vision.

What is FAST's Message?

There was overwhelming consensus that the freight message needs to be refreshed, updated, and marketed in order to capture the attention of the legislature, public, and private partners. A **clear, compelling message** relating to an overall freight strategy that **enhances economic competitiveness** is needed to encourage investment in freight. (Who should market these messages and how will be considered by the partners in the coming months.)

- We need to sell our successes. The FAST program has a history of cooperation among agencies and unusual success at building multi-partner projects. The successes of the initial FAST efforts and projects need to be defined and promoted.
- FAST is trying to solve serious economic problems in order to ensure the economic health and vitality of the Puget Sound region.
- Freight projects need dedicated funding in order to build the sort of strategic, large scale projects that will keep our region competitive in the local, national and international marketplace.

- Freight movement benefits from other regional congestion relief projects; however, these benefits are insufficient to make freight movement competitive. Intermodal connections, port expansion and efficiencies, and integration of air, marine, rail and roadway modes are critical.

Broad strategies and actions for delivering FAST's message were outlined as part of the discussion.

- Expand messages to taxpayers and the public so they support and advocate for the funding of freight projects, rather than eliminate funding. Direct and quantifiable benefits are needed to overcome apathy and ignorance.
- Target messages to legislators so they understand how freight projects are directly tied to our national and international competitiveness.
- Target messages to private investors (freight movers, freight users, businesses that rely on the ability to move freight freely) and identify direct payoffs to the private sector of investment in freight mobility.
- Target overseas transporters and promote the benefits in reliability and cost of shipping through Puget Sound ports.
- Find and support champions for individual freight projects.
- Quantify project benefits for marketing use.
- Define how FAST integrates with other programs and interests.
- Use a multi-media approach: take advantage of the FAST website, radio, TV, newspapers, etc.

Where should FAST go next?

Throughout the day, the FAST partners discussed the future of the FAST program. At the end of the day, two key considerations were emphasized:

- Prior to moving into a Phase III effort, FAST Phase I and Phase II projects should be completed;
- FAST Phase I and Phase II projects should be re-evaluated at this time to see if they meet the objective of improving the economic competitiveness of the region.